

CO-OPERATIVE DEVELOPMENT PROGRAM : WORKING PARTY ON LOANS

During 1982/83 funding under the Co-operative Development Program was in the form of grants.

There has been concern expressed by groups such as the Co-operative Federation of Victoria and the Small Business Development Corporation that loans should be available for co-operatives because they reduce dependence on government grants, encourage business commitment and could, if provided outside of government, establish an ongoing loans fund for co-operatives.

The Minister for Employment and Training, the Honourable Jim Simmonds, MP, agreed, therefore, to establish a working party to consider and recommend a policy and procedure for loans. The working party's report will be given to the Minister for a decision.

Membership of the working party is as follows:

- Ministry of Employment and Training (2)
- Co-operative representatives (4)
- Co-operative Federation of Victoria (1)
- Small Business Development Corporation (1)
- Registry of Co-operatives (1)
- A solicitor

The working party has met twice since its establishment.

Issues being considered by the working party include:

1. Whether or not loans should be available under the Co-operative Development Program.
2. The purposes for which loans would be made available, e.g. capital equipment and/or working capital.
3. The conditions attached to loans, e.g. interest rates and repayment periods.
4. The appropriate mix of grants and loans over what period of time and the factors influencing the provision of a grant and/or loan, e.g. capacity to repay loan.
5. Whether or not specific guidelines should be developed for loans and/or whether loan decisions should be based on individual circumstances.
6. An appropriate administrative structure for the implementation of loans.

Quite obviously, the possibilities under 2--6 could influence a decision on 1.

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